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January 5, 1993

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

RE: CC Docket 92-77  
Billed Party Preference

Dear Mr. Caton:

Yesterday, William Blase and John Little with Southeastern Bell, Gordon Maxson and Rudy Atkins with GTE, Mike Cahill and Michael Beach with MCI, Derek Hibbard, Pacific Bell, and I met with Rudy Baca and Brian Fontes from Commissioner Quello's office, Esther Rosenthal and Jim Coltharp, Commissioner Barrett's office, and Linda Oliver, Commissioner Duggan's office, to discuss the proceeding indicated above. The attached document was used during the course of the discussion. Due to the lateness of the hour, it was not possible to file this notice in a timely manner.

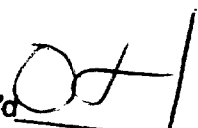
Pursuant to Section 1.1206(a)(1) of the Commission's rules and original and two copies of this notification are attached. Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



cc: Rudy Baca  
Brian Fontes  
Jim Coltharp  
Esther Rosenthal  
Linda Oliver

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**Billed Party Preference**  
**- Common Service Design -**

**January 4, 1994**

**MCI**  
**GTE**  
**Pacific Bell**  
**Southwestern Bell**

## Billed Party Preference Design Intent

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**Our BPP design provides maximum market and consumer benefit.  
It also streamlines dialing arrangements .**

■ BPP's cost will be offset at least with the following items:

- Universal 0+ dialing for all carriers
- 0+ carrier of choice for all consumers
- Competition induced benefits, e.g., price, consumer focus, and innovation
- Lower premise agent commissions relieves upward price pressure
- Lower administrative costs for handling consumer related problems

■ BPP's benefits affect all alternate billing consumers and all market players.

- Business and residence card users
- Bill to third and collect consumers
- Consumers at payphones, hotels, airports, and all other transient sites
- All service providers, including payphone providers, could benefit from higher call volumes because of competitive stimulation.

## Key Design Benefits

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### **Our BPP design provides consistent and predictable call processing**

- The billed party chooses its carrier.
- Easily recognized prompts, e.g., the end user prompted twice on invalid billing.
- Default routing can be to the 1+ PIC of the originating line or to the caller's choice.
- All responses will be uniform and easily understood using common platform designs.

### **Call routing options benefit carriers.**

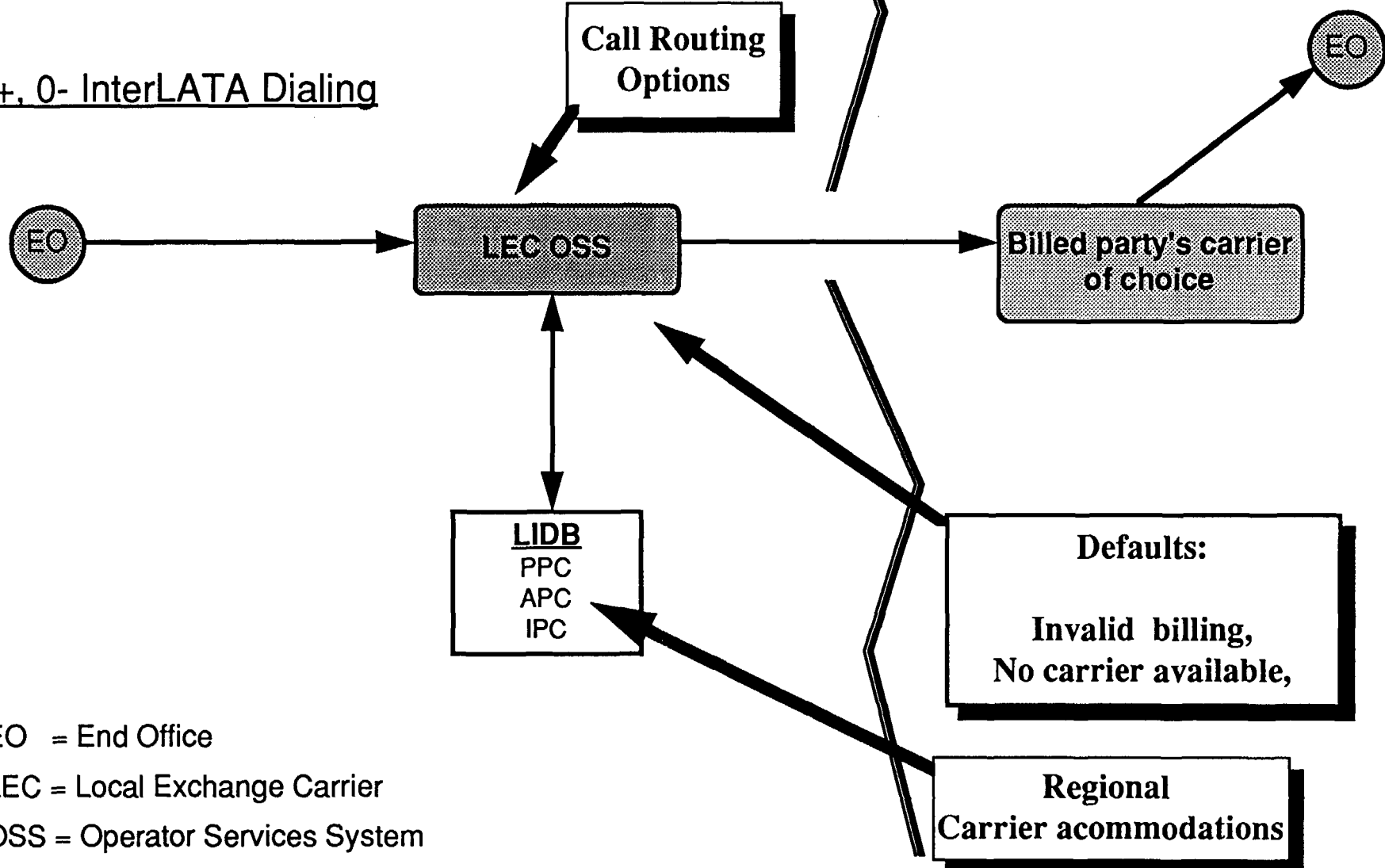
- The CIID/891 card issuer has two options; routing by card number or via database query.
- All LEC billing calls will be validated resulting in improved call and fraud control.
- Commercial credit card routing option also included in design.
- Foreign billing will route to 1+ PIC of the originating line.

### **Regional Carriers can maintain and potentially improve market share.**

- The primary preferred carrier (PPC) may select an alternate with national presence.
- The result is national ubiquitous 0+ options for regional carriers.

## Billed Party Preference - Basic Design

0+, 0- InterLATA Dialing

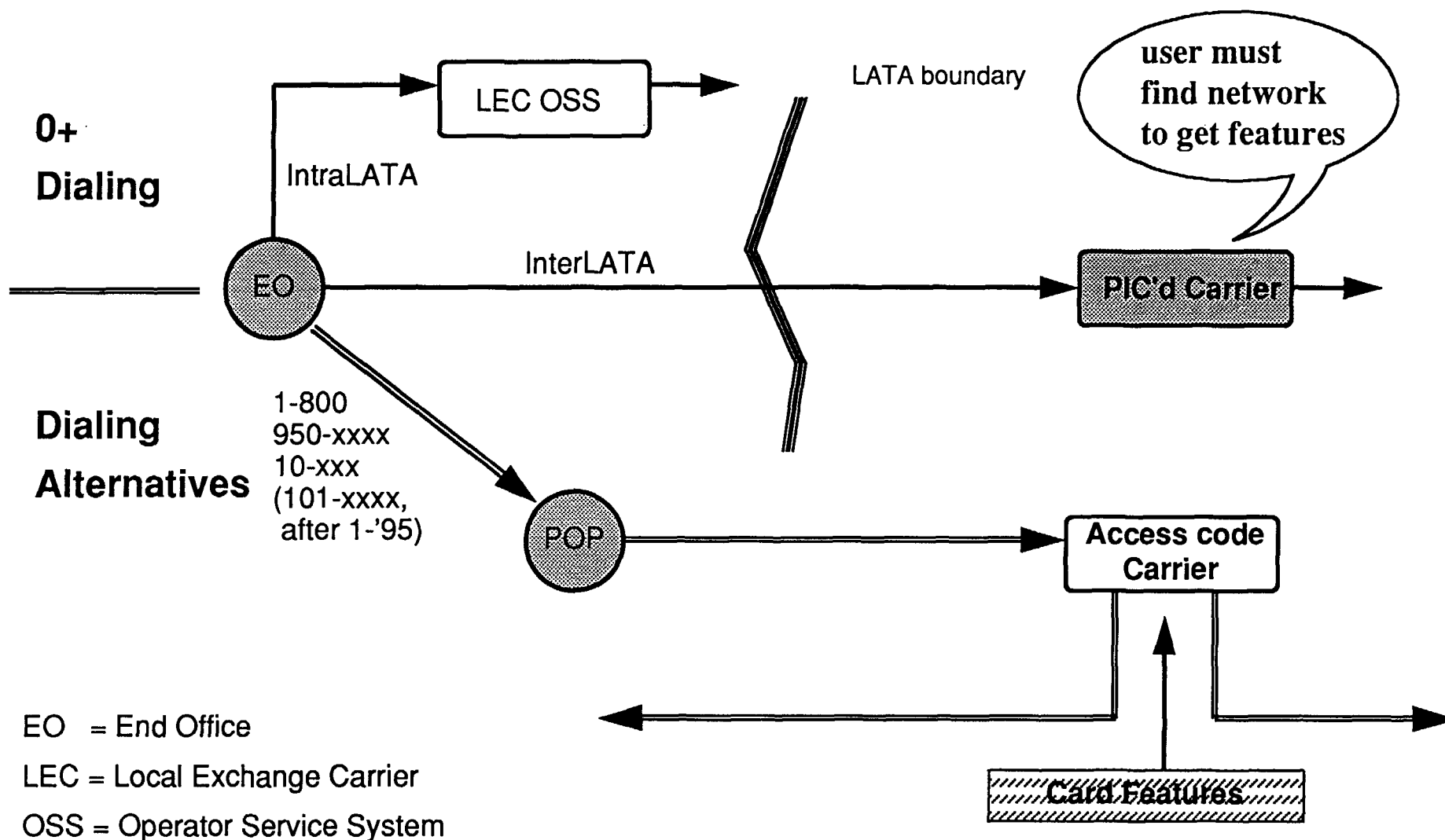


EO = End Office

LEC = Local Exchange Carrier

OSS = Operator Services System

## Current Network



## Billed Party Preference Fit

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### **The BPP service design meets stated FCC objectives.**

- The design lets end users select a 0+ calling card from any service provider.
- Consumers will no longer be required to use confusing and inconvenient access codes.
- The design addresses practices that often result in charges the billed party did not agree to.
- The common design provides carriers options for call processing functions, e.g., operator services.
- The BPP design also ensures that competition will be based on service merits rather than on commission payments and other market leverage.

## The Common Design Does Not Include 14-Digit Screening

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**Customer confusion, implementation complexity and high costs do not justify 14-digit screening.**

- There is no proven consumer demand for 14-digit screening.
- 14-digit screening produces minimal additional benefit for card issuers.
- 14-digit screening costs significantly outweigh any benefits.
- 14-digit screening system-wide implementation and administration is impractical.
- 14-digit screening increases the likelihood of fraud.

***LEC/Carrier card programs can meet the same customer needs at a much lower cost.***



## Conclusion

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**Our BPP design provides maximum market and consumer benefit while minimizing total costs that need to be recovered.**

■ BPP's cost will be offset at least with the following items:

- Competition benefits markets and consumers.
- Lower commissions lessen upward price pressure.
- Reduces administrative costs for handling consumer complaints.

■ BPP's benefits affect all alternate billing consumers and all market players.

- Business and residence users
- All service providers, including payphone providers could benefit from higher call volumes resulting from competitive stimulation.

***BPP solves a major consumer confidence problem***